



Developing Agri-Inputs Market in Nigeria Project (DAIMINA)

**Quarterly Progress Report
(July - September 2004)**

Submitted to

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by

IFDC

An International Center for Soil Fertility and Agricultural Development

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Acronyms and Abbreviations

ADPs	Agricultural Development Programs
AFAMIN	African Agricultural Marketing Information Network
AIDA	Agri Input Dealers' Association
BASAIDA	Bauchi State Agri Input Dealers' Association
CPPs	Crop Protection Products
DAIMINA	Developing Agri Input Markets in Nigeria
DAP	Diammonium Phosphate
DBMS	Database Management System
FAO	Food and Agriculture Organization of the United Nations
FECAIDA	Federal Capital Agro Input Dealers Association
FEPSAN	Fertilizer Producers and Suppliers Association of Nigeria
FFD	Federal Fertilizer Department
FGN	Federal Government of Nigeria
FMARD	Federal Ministry of Agriculture and Rural Development
IAR	Institute of Agricultural Research
IFDC	International Fertilizer Development Center
IITA	International Institute for Tropical Agriculture
KNARDA	Kano Agricultural and Rural Development Authority
KASAIDA	Kano State Agri Input Dealers' Association
MANR	Ministry of Agriculture and Natural Resources, Kano
MFCT	Ministry for Federal Capital Territory
MIR	Marketing Inputs Regionally
MIS	Market Information System
MISTOWA	Market Information Systems and Trade Organizations Systems in West Africa
MOP	Muriate of Potash
MOU	Memorandum of Understanding
NACRDB	Nigeria Agricultural Cooperative and Rural Development Bank
NAMIS	Nigeria Agri Market Information Service
NGO	Non-Governmental Organization
NPK	Nitrogen - Phosphate - Potash

NSPFS	National Special Program on Food Security
NSS	National Seed Service
OYSAIDA	Oyo State Agri Input Dealers' Association
PCU	Projects Coordinating Unit
SG 2000	Sasakawa-Global 2000
SPFS	Special Programme on Food Security
USAID	United States Agency for International Development
WARDA	West African Rice Development Association

Developing Agri-Inputs Market in Nigeria Project

Quarterly Report—July 1 – September 30, 2004

Introduction

Good progress was made in the implementation of planned activities and some new activities like implementation of the voucher scheme, use of high-analysis fertilizers, and promotion of rice production under the USAID facilitated Rice Alliance in this quarter. The Business Development meetings enhanced business transactions among input supply companies and the trained agro dealers. Participation in the Rice Alliance has made good progress and the voucher scheme has received overwhelming support.

Highlights:

- *Amended Seed Law 1992 submitted to FMARD.*
- *A policy dialogue with His Excellency, Alh. Ibrahim Shekarau, Executive Governor of Kano State.*
- *FEPSAN Executives held policy dialogue with Hon. Minister of Agriculture and USAID/Nigeria Mission Director.*
- *Stakeholder workshops/meeting held in FCT, Kano, and Oyo States.*
- *10 Business Development meetings conducted in the project area.*
- *18 training workshops and 3 Association Development meetings were conducted.*
- *2 field days conducted at high-analysis fertilizer demonstration sites.*
- *Distribution of FGN subsidized fertilizers.*
- *Initiation of MISTOWA in Nigeria.*

A summary of activities carried out during the period is given below.

1.0 Policy Reforms and Regulations

1.1 Objectives:

- Facilitating the Government of Nigeria in the creation of a conducive environment for private sector participation and investment in agri input distribution.
- Updating of the existing Seed Laws that would lead to quality assurance and liberalize the seed trade.
- To demonstrate the alternatives to direct subsidy.
- To advise FMARD on the economical range of fertilizer products.

1.2 Activities in Support of Objectives:

- The final draft of amended Seed Law 1992 was submitted to FMARD in September 2004.
- The Chief of Party and Project Manager held a meeting on 19th August with His Excellency, Executive Governor of Kano State, to brief the administration on the progress made by the DAIMINA project. Alh. A. R. Kwa, Interim Executive Secretary of FEPSAN, briefed the Governor about the role of FEPSAN.
- A meeting was also held with Alh. Sani Dangote, President – FEPSAN, to update on the position of fertilizer importation, quality of fertilizers, and future activities of FEPSAN.
- The Executives of FEPSAN had a policy dialogue meeting with the Honourable Minister - FMARD on 19th of July 2004 and paid a courtesy call to USAID/Nigeria Mission Director on 27th July 2004. The emergence of a national level Fertilizer Association in Nigeria and IFDC support was highly appreciated by the Hon. Minister and the Mission Director. FEPSAN also had a meeting with the Chairman, Senate Committee on Agriculture, Chief Bode Olowoporoku, on 31st of August 2004 and briefed him about their activities relating to importation and distribution of fertilizers.
- A stakeholders' sensitization workshop was held in FCT on 3rd August 2004. *Agri Input and Commodity Chain Development; Promotion of Livestock: Milk, Poultry and Fishery; Urban Agriculture, including backyard gardening, and Establishment of Agri Business Training Centers* were identified by IFDC as the agri development projects that could be started jointly with Agriculture & Rural Development (ARD) Secretariat, MFCT. The proposals were discussed at the meeting. Subsequently, Mr. Waziri H. Ahmadu - Executive Secretary of ARD Secretariat, MFCT, held a meeting with the project management on 24th August to harness the areas of collaboration as presented at the sensitization workshop.
- A joint stakeholders' workshop organized by MANR, Kano and IFDC-DAIMINA was held in Kano from 17th – 18th August 2004, to review the project's activities in the State. Stakeholders, however, recommended the extension of the project life in the State so that their activities could be covered in all the 44 local government areas of the state.
- The IFDC-DAIMINA Chief of Party and Project Manager visited Oyo state from 8th – 9th September 2004 and held meetings with the following:

- ✚ **Dr. Stanford Blade (Director, IITA)** - stronger collaboration & cooperation between IITA & IFDC, and the need to work as a team in the implementation of USAID projects.
- ✚ **Fadama II Project Coordinator** - on IFDC's role in Farm Advisory Services, capacity building, and crop processing. The need for a MOU to be signed was also discussed.
- ✚ **Hon. Commissioner of Agriculture** – closing of the DAIMINA project and the need for cooperation and funding from the State Government for any future project.
- ✚ **Acting Governor and Executives** - the Deputy Governor, Oyo State, assured IFDC of their collaboration and financial support and appealed to IFDC to extend the DAIMINA activities in the State for a longer period.
- ✚ **Dr. Meham (VeeTee Rice)** - on multiplication of lowland rice, seed production, provision of rice seeds, and technical assistance.

1.3 General Status

- The amended Seed Law 1992 has been accepted by FMARD.
- The State Governments of Kano and Oyo have shown their willingness to provide co-funding for the continuation of DAIMINA in their States.
- 5 neighbouring States have also invited IFDC to operate in their areas on cost sharing basis.
- The launching of FECAIDA in FCT has been well appreciated. Engr. Waziri H. Ahmadu stated that IFDC-DAIMINA has achieved what the Government of Nigeria has not been able to achieve. Among these are identification of solutions to agri input problems, encouragement of agro dealers to embark on crop marketing, networking of agro dealers with financial institutions for micro finance for business expansion, and policy dialogues in favour of the private sector.
- The Chief of Party took a market tour in the month of August around the selected markets in FCT to ascertain the level of dealer participation and improvement in those areas, which was well appreciated by the dealers.

2.0 Private Sector Capacity Building

2.1 Summary of Objectives

- Networking of agro dealers with grain marketers and encouraging them to start the business of crop marketing.
- Business promotion through collective procurement and negotiations.
- Promote linkages between agro dealers and importers/major suppliers.
- Train contract sprayers on the safe and effective use of CPPs.
- Inculcate Leadership and Management of Trade Associations to Executives.
- Integrate grain marketing into the business of agro dealers.
- Introduce agro dealers to the importance of value addition and processing of food crops.
- Upgrade the knowledge of women's groups in processing and marketing of selected crops (cassava, groundnut, rice).
- Train machine operators on the operation, maintenance, and precautions of handling agro processing machines.
- Train dealers on integrated pest management in the control of storage pests, handling, and preservation techniques of stored products and marketing.

2.2 Activities to Support Objectives

2.2.1 Business Development Meetings:

The Business Development Meetings between agro dealers and input supply companies recorded excellent results. The business transactions for the supply of agri inputs worth **₦199.089** million were made in the project area. The details of Business Development meetings organised during the quarter are summarised in the table below:

S/N	Date	Title of Workshop	Venue	No. Participants	Business Commitment (₦' million)
1.	July 22	Business Development workshop	Oyo	16	7.659
2.	July 27	Business Development workshop	Kano	34	21.97
3.	August 11	Business Development workshop	Bauchi	37	68.25
4.	August 11	Business Development workshop	FCT	29	12.952
5.	August 24	Business Development workshop	Oyo	35	10.628
6.	August 30	Business Development workshop	Kano	31	21
7.	Sept 8	Business Development workshop	Bauchi	32	4.235
8.	Sept 21	Business Development workshop	Kano	40	14.2
9.	Sept 28	Business Development workshop	Oyo	30	20.57
10.	Sept 29	Business Development workshop	FCT	28	17.625

2.2.2 Sale of Agri Inputs by DAIMINA Trained Agro Dealers:

A total of 65,054 tons of fertilizers; 168,997 kg of seeds; and 1,124,863 litres of crop protection products were sold by the trained agro dealers during the quarter under review as shown below:

State	Fertilizer (mt)	Seeds (kg)	CPP (ltrs)
Kano	32,918.75	62,670	95,229
Oyo	7,198.80	84,629.50	729,640
Bauchi	17,607.00	16,030	206,265
FCT	7,328.81	5,667	93,729
Total	65,054	168,997	1,124,863

2.2.3 Training Workshops Organised for Agro Dealers:

18 training workshops and 3 association development meetings were organised during the quarter as shown in the table below:

S/N	Date	Title of Workshop	Venue	No. of Participants
1.	July 23	Food Processing Machine Operators training	Oyo	6
2.	July 22 & 27	Food Processing Machine Operators training	Kano	8
3.	July 28-29	Association Development Training	Kano	24
4.	July 29	Safe Use of CPP	FCT	20
5.	August 18	Food Processing and Value Addition	Bauchi	20
6.	August 20	Food Processing and Value Addition	Bauchi	11
7.	August 18-20	Safe Use of CPP	Bauchi	40
8.	August 26	Crop Marketing	Bauchi	35
9.	August 17	Food Processing and Value Addition	FCT	19
10.	August 24	Crop Marketing	FCT	31
11.	August 17	Food Processing and Value Addition	Oyo	10
12.	August 25	Association Development Training	Oyo	19
13.	August 11-12	Food Processing and Value Addition	Kano	26
14.	August 17-18	Stakeholders Workshop	Kano	80
15.	August 25	Product Knowledge	Kano	15
16.	August 26	Crop Marketing	Kano	28
17.	Sept 8-9	Safe Use of CPP	FCT/Niger	41
18.	Sept 16	Crop Marketing	FCT	26
19.	Sept 23	Safe Use of CPP	FCT/Niger	20
20.	Sept 22	Association Development	FCT	16
21.	Sept 20-21	Association Development	Bauchi	34

2.2.4 Importation of Fertilizers by Private Sector:

During the quarter, a total quantity of 84,300 mt of fertilizers was imported by the private sector as per details given below (data being updated):

S/N	MONTH	PRODUCT	QUNATITY (MT)	IMPORTER
1	July	Urea	10,000	Mekatrade
2	“	Urea	6,000	Conagra
3	“	Urea	15,000	FCO
4	“	Urea	15,000	Trammo
5	“	NPK	17,600	-
6	Aug. 5th	NPK	20,700	Trimax
Total			84,300	

2.2.5 Distribution of FGN Subsidized Fertilizers: Fertilizer delivery by FGN to all the States of the Federation for the 2004 wet season as on 2nd September 2004 amounted to 132,115.73 mt, recording 53.28% supplies against the purchase order of FGN.

2.2.6 Business Promotion by Associations:

Associations held their monthly meetings and 3 Association Development meetings were held in Kano, Bauchi, and FCT during the quarter. The purchase of inputs by groups is ongoing. NACRDB, Oyo released a total of N950,000 micro credit to 8 agro dealers in Ogbomoso and Oyo zones. Recovery rate is about 90% which is encouraging and commended by the bank while all the agro dealers from Kura and Kachako ARAs of Kano State have completely repaid their loans.

2.2.7 Promotion of Agro Processing – The small scale processing of rice and cassava are yielding good benefits to DAIMINA trained agro enterprises. In Oyo, the DAIMINA trained women group made an average profit of N11,200 monthly on gari processing and marketing. Similarly, the DASS Women Group and Kura Agro Dealers Association are processing and marketing rice in Bauchi and Kano States with an average profit of N5,000 monthly. Linkage was established between the cassava processing women group in Oyo and Nova technologies on servicing and maintenance of their processing machines. The project also facilitated the purchase of a groundnut oil milling machine for Kauna Women Group in support of the groundnut oil processing.

2.2.8 Field Days on High-Analysis Fertilizer Demonstrations:

Two field days were held during the quarter under review. The first was held in Kano on 16th September at Fertile Acres (maize farm), Ruwan Kanya, Rano LGA. Many dignitaries were in attendance and the exercise brought out the benefits of high-analysis fertilizer in terms of efficiency and cost.

In Bauchi State, a field day was held on 27th September at Disina, Shira Local Government Area and 350 farmers attended. Five local government councils (Shira, Jama'are, Itas Gadau, Misau and Giade) including village heads and other dignitaries were in attendance. Farmers were highly impressed with performance of high-analysis fertilizers and requested that they be made available for sales next year.

2.3 Fadama II:

During the quarter, the World Bank Assisted Fadama II Program in Bauchi State conducted an induction workshop for the Fadama facilitators. DAIMINA was represented at the meeting by the Project Coordinator in Bauchi State. IFDC has been identified as one of the “Service Providers” for the Fadama II project.

Three World Bank Assisted Fadama II States of Oyo, Ogun, and FCT have placed a request for “Letter of Expression of Interest” from service providers and IFDC will apply accordingly. Areas of possible collaboration include farm advisory services and capacity building of farmers.

2.4 General Status:

- The linkage of dealers with input supply companies and holding of business development meetings have accelerated the agri business activities in the project area.

3.0 Strengthening of Market Information System (MIS)

3.1 Summary of Objectives:

- Provision of updated market information to stakeholders on agri inputs and crop produce to facilitate policy and business decisions.

3.2 Activities in Support of Objectives:

- 3.2.1 2,000 copies each of 2 fortnightly Agri Input News Bulletins were published and distributed.
- 3.2.2 400 copies of the manuals on Seeds, Crop Protection Products, Role of Manures, and Fertilizers have been published in English.
- 3.2.3 200 copies of “Proceedings of a National Workshop – Agricultural Inputs Policies and Nigerian Development” were printed.
- 3.2.4 50 copies of Nigeria Agri Inputs Marketing Statistics were produced for distribution.
- 3.2.5 3 press adverts for Nigeria Agri Market Information Services (NAMIS) were published in “THISDAY” and “TRUST” newspapers.
- 3.2.6 Farm Radio Service has begun through the ADP Air time and MIS news is being aired across the States. FAO has approved a TCP of US\$300,000 for PCU to promote the use of MIS through radio. This will be done with the collaboration of NAMIS.
- 3.2.7 The 3rd edition of the joint NAMIS Agri Newsletter is in press.

- 3.2.8 500 copies of Product Knowledge Manual have been printed in local language and distribution to relevant stakeholders is in progress.
- 3.2.9 2,000 copies of a rice brochure have been printed and distribution to relevant stakeholders is in progress.
- 3.2.10 Collation and analysis of market price survey is in progress jointly with NAMIS.
- 3.2.11 DAIMINA data bank updated and the AFAMIN website uploaded with market prices and Agric News regularly.

3.3 General Status:

- The Nigeria Agri Market Information Service – NAMIS (a joint initiative of IFDC-DAIMINA : PCU and SPFS) is making a good contribution in MIS and its area of operation is getting extended.
- The Data Base Management System is being strengthened and updated.
- In addition to agri business newsletter, Agri Marketing News Bulletin, and press adverts, the use of radio has also been recently started.
- The government officials, private sector, and other stakeholders are increasingly using the NAMIS information.
- The MISTOWA project has formally begun operations in Nigeria.

4.0 General Activities

- 4.1 The Oyo State Agri Input Dealers Association (OYSAIDA) and IFDC – DAIMINA trained agro dealers have been linked with grain agents and agro dealers have started buying the crop produce from farmers.
- 4.2 Premier Seed Company Ltd., a leading seed producer and marketer in Nigeria, is collaborating with OYSAIDA agro dealers in carrying out field demonstrations on the use of improved hybrid seeds in Oyo State.
- 4.3 The Chief of Party had a meeting with Dr. Andrew Levin of USAID/Nigeria to brief him on various activities, particularly the fertilizer voucher scheme, rice alliance, and pre-feasibility study.
- 4.4 A meeting was held by the Chief of Party with the Director, Federal Fertilizer Department (FMARD), to review the fertilizer supply position.
- 4.5 The USAID Nigeria announcement of RFP/A has been further delayed and is expected in October 2004.
- 4.6 The Chief of Party and Project Manager participated in the review of the NSPFS project performance in a workshop held in Abuja in August 2004.

5.0 Collaboration with Related Agencies/Projects

The DAIMINA project is working in collaboration with the following agencies:

- 5.1 PCU : SPFS for the development of NAMIS.
- 5.2 MISTOWA for the promotion of market information and trade organisations in West Africa.
- 5.3 SG 2000 for joint field demonstration and training on high-analysis fertilizer.
- 5.4 Rice Alliance members for the promotion of rice production, processing, and marketing in Nigeria.
- 5.5 AAN/Crop Life Nigeria in the training of agro dealers/production of manuals on CPPs.
- 5.6 FMARD/NSS and private sector in the review of the Seed Laws.
- 5.7 Marketing Inputs Regionally (MIR) IFDC: DGIS Regional Project on policy issues.
- 5.8 FEPSAN on policy dialogue and importation/distribution of fertilizers.

6.0 Future Activities

- 6.1 Pre-feasibility study for a fertilizer unit in Nigeria.
- 6.2 Assisting the trade associations in advocacy and business development.
- 6.3 Follow up with FMARD on the amended Seed Law 1992.
- 6.4 Rice Alliance activities and organize field days.
- 6.5 Monitoring of the pilot voucher scheme and impact analysis.
- 6.6 Monitor the field demonstrations on high-analysis fertilizers.
- 6.7 Supervise the functioning of pilot agro-processing units.
- 6.8 Organize a stakeholders' workshop to review the project activities.
- 6.9 Participate in the Fadama II project.
- 6.10 Close-out operations in December 2004.